



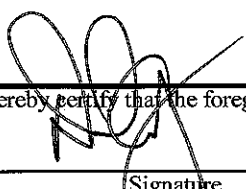
DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES  
Minerals & Mining Program - Oil & Gas Section  
2050 West Main, Suite #1, Rapid City, SD 57702-2493  
Telephone: 605-394-2229, FAX: 605-394-5317

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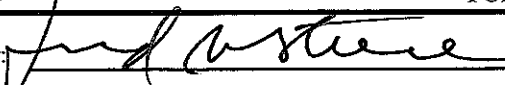
AUG 04 2008

DEPT OF ENVIRONMENT & NATURAL  
RESOURCES - RAPID CITY

## APPLICATION FOR PERMIT TO DRILL

Type of Work: <input checked="" type="checkbox"/> Drill New Well <input type="checkbox"/> Re-enter Well <input type="checkbox"/> Drill Directional Well <input type="checkbox"/> Other		Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Injection <input type="checkbox"/> Other					
Name and Address of Operator LUFF EXPLORATION COMPANY, 1580 LINCOLN STREET, SUITE 850, DENVER, CO 80203		Telephone (303) 861-2468					
Name and Address of Surface Owner Greg & Heidi Miller, RR1, Box 119, Bowman, ND 58623-8601							
Name and Address of Drilling Contractor and Rig Number: Nabors Drilling USA, PO Box 2396, Williston, ND 58802, Rig #684							
Surface Location of Well: Qtr-Qtr, Sec, Twp, Rge, County, Feet from Nearest Lines of section, and latitude and longitude (if available): <b>28</b> SWSE Sec 8-T23N-R6E, Harding Co., 1200' FSL x 1700' FEL, N 45° 55' 28.39" W 103° 22' 59.16"							
If Directional, top of pay and bottom hole location from nearest lines of section: Top est @ 9327' MD = 9016' TVD; BHL 1200' FSL x 2080' FEL, Sec. 27-T23N-R6E							
Acres in Spacing (Drilling) Unit 640 acres		Description of Spacing Unit S/2 Sec. 28-T23N-R6E + S/2 Sec. 27-T23N-R6E					
<i>Order 20-2007</i>							
Well Name and Number Miller O-28H		Elevation 2884.4' ungraded		Field and Pool, or Wildcat Corey Butte Field Red River B		Proposed Depth and Formation 9005' TVD; 13,800' MD; RR	
Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)			Depth
1) 13-1/2"	9-5/8"	36#	2000'	765 sx Premium & Midcon, 3% & 2% salt + misc.			Surf
2) 8-3/4"	7"	23#, 29#, 26#	9327'	700 sx Class G/POZ + various additives			3500'
3)							
4)							
Describe Proposed Operations (Clearly State all Pertinent Details, and Give Pertinent Dates, Including Estimated Date of Starting any Proposed Work). Use Additional Page(s) if appropriate.							
Drill a medium radius horizontal well in the Red River "B" formation. Drill 13-1/2" surface hole to 2000' and run 9-5/8" casing. Circ cement. Drill 8-3/4" vertical hole to KOP at approx 8470'. Drill build section with an approximate azimuth of 90 deg and land in the top the the "B" zone at 9327' MD = 9016' TVD with a BHL 545' east and 0' north of the surf loc. Run and cement 7" casing. Vertical and build sections drilled with invert mud. Drill a 6" lateral in the "B" zone to approx. 13,682' MD = 9016' TVD at BHL approx 1200' FSL x 2080' FEL Sec. 27-T23N-R6E. Fresh water/polymer will be used for the horizontal section. All drilling fluids and cuttings will be contained in a pit lined with 12 mil plastic. All liquids will be disposed of in an approved method, the line and cuttings will be buried in place. The estimated start date for location construction is 8/15/08. Estimated start date for drilling is 9/10/08.							
I hereby certify that the foregoing as to any work or operation performed is a true and correct report of such work or operation.							
 Signature		David A. Norby Name (Print)		Operations Manager Title		7/29/08 Date	

### FOR OFFICE USE ONLY

Approved by: 	Title: Oil and Gas Supervisor	
Permit No. 1882	API No. 40 063 20656	Date Issued: August 25, 2008
Conditions, if any, on attached page.		